

Federal Reserve System

§ 204.5

locations that would allow the institution, the Board, and the Federal Reserve Banks to perform their functions efficiently and effectively.

[45 FR 56018, Aug. 22, 1980]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 204.3, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.fdsys.gov.

§ 204.4 Computation of required reserves.

(a) In determining the reserve requirement under this part, the amount of cash items in process of collection and balances subject to immediate withdrawal due from other depository institutions located in the United States (including such amounts due from United States branches and agencies of foreign banks and Edge and Agreement corporations) may be deducted from the amount of gross transaction accounts. The amount that may be deducted may not exceed the amount of gross transaction accounts.

(b) United States branches and agencies of a foreign bank may not deduct balances due from another United States branch or agency of the same foreign bank, and United States offices of an Edge or Agreement Corporation may not deduct balances due from another United States office of the same Edge or Agreement Corporation.

(c) Balances “due from other depository institutions” do not include balances due from Federal Reserve Banks, pass-through accounts, or balances (payable in dollars or otherwise) due from banking offices located outside the United States. An institution exercising fiduciary powers may not include in balances “due from other depository institutions” amounts of trust funds deposited with other banks and due to it as a trustee or other fiduciary.

(d) For institutions that file a report of deposits weekly, reserve requirements are computed on the basis of the institution’s daily average balances of deposits and Eurocurrency liabilities during a 14-day computation period ending every second Monday.

(e) For institutions that file a report of deposits quarterly, reserve requirements are computed on the basis of the

institution’s daily average balances of deposits and Eurocurrency liabilities during the 7-day computation period that begins on the third Tuesday of March, June, September, and December.

(f) For all depository institutions, Edge and Agreement corporations, and United States branches and agencies of foreign banks, required reserves are computed by applying the reserve requirement ratios below to net transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities of the institution during the computation period.

Reservable liability	Reserve requirement
Net Transaction Accounts:	
\$0 to reserve requirement exemption amount (\$15.2 million).	0 percent of amount.
Over reserve requirement exemption amount (\$15.2 million) and up to low reserve tranche (\$110.2 million).	3 percent of amount.
Over low reserve tranche (\$110.2 million).	\$2,850,000 plus 10 percent of amount over \$110.2 million.
Nonpersonal time deposits	0 percent.
Eurocurrency liabilities	0 percent.

[Reg. D, 74 FR 25637, May 29, 2009, as amended at 74 FR 52875, Oct. 15, 2009; 75 FR 65564, Oct. 26, 2010; 76 FR 68066, Nov. 3, 2011; 77 FR 21852, Apr. 12, 2012; 77 FR 65774, Oct. 31, 2012; 78 FR 66250, Nov. 5, 2013; 79 FR 68350, Nov. 17, 2014; 80 FR 71683, Nov. 17, 2015]

§ 204.5 Maintenance of required reserves.

(a)(1) A depository institution, a U.S. branch or agency of a foreign bank, and an Edge or Agreement corporation shall satisfy reserve requirements by maintaining vault cash and, if vault cash does not fully satisfy the institution’s reserve requirement, in the form of a balance maintained

(i) In the institution’s account at the Federal Reserve Bank in the Federal Reserve District in which the institution is located, or

(ii) With a pass-through correspondent in accordance with § 204.5(d).

(2) Each individual institution subject to this part is responsible for satisfying its reserve balance requirement, if any, either directly with a Federal